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AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1984 FOR INTELLIGENCE ACTIVITIES OF THE UNITED STATES GOVERNMENT, THE INTELLIGENCE COMMUNITY STAFF, THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM (CIARDS), AND FOR OTHER PURPOSES

MAY 6 (legislative day, MAY 2), 1983.—Ordered to be printed

Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence, submitted the following

REPORT

(To accompany S. 1230)

The Select Committee on Intelligence, having considered the original bill (S. 1230) authorizing appropriations for Fiscal Year 1984 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

This bill would:

(1) Authorize appropriations for Fiscal Year 1984 for (a) intelligence activities of the United States, (b) the Intelligence Community Staff, and (c) the CIA Retirement and Disability System;

(2) Authorize the personnel end-strength as of 30 September 1984 for (a) the Central Intelligence Agency, and (b) the Intelligence Community Staff.

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OVERALL SUMMARY OF COMMITTEE ACTION

[In millions]

	Fiscal year 1983	Budget request	Committee recommends	Committee recommended changes
Intelligence activities				
Intelligence Community Staff	$15,9	$18.8	$17.6	—$1.2
CIARDS	91.3	86.3	86.3	
Total				

THE CLASSIFIED REPORT

The classified nature of U.S. intelligence activities prevents the Committee from disclosing the details of its budgetary recommendations in this Report.

The Committee has prepared a classified report which describes the full scope and intent of its action, and the specific amounts authorized for each of the various intelligence programs of the U.S. Government. The Committee intends that the classified report, although not available to the public, will have the full force of any Senate Report, and that the Intelligence Community will fully and completely comply with the recommendation, guidelines, directions, and limitations contained therein.

The Classified Report is available for review by any Member of the Senate, subject to the provisions of Senate Resolution 400.

SCOPE OF COMMITTEE REVIEW

The Committee, through its Budget Subcommittee, conducted a detailed review of the Intelligence Community's fiscal year 1984 budget request. This included:

Hearings involving some 25 hours of testimony, which included the Director of Central Intelligence, the principal program managers, and officials from the Department of Defense;

Detailed examination of over 2,300 pages of budget justification material;

Review of written answers from the Intelligence Community to several hundred questions for the record containing supplemental information on specific subjects or issues; and

Numerous briefings and interviews with officials on major topics of interest.

The Subcommittee continued to examine the U.S. intelligence system on a function basis. This year, in-depth hearings were conducted to examine key initiatives in Community programs involving: analysis and production; collection of foreign intelligence; counterintelligence, and covert action. The Subcommittee believes the functional approach provides extremely unique and valuable insight into the strengths and weaknesses of U.S. intelligence activities.

During the course of the review, the Subcommittee focused attention on the following substantive areas:

Key challenges facing the Intelligence Community over the remainder of this decade and into the 1990's;

The ability of the Community to meet these challenges;

Major gaps in current and programmed capabilities;

Steps proposed in the FY 1984 budget to overcome existing deficiencies and to improve the Community's long-term performance.

Accomplishments during the past two years to improve analysis, human source collection, foreign counterintelligence and counterterrorism capabilities.

OVERALL COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee believes the continued growth of U.S. intelligence capabilities should remain among the nation's highest priorities. The Committee has consistently supported investments needed to ensure the overall intelligence system can successfully confront the challenges U.S. foreign policymakers are likely to face in the long term. Previous assessments have not changed, because no lessening of tension with our principal adversaries can be expected. Simultaneously, developments in the Third World countries and issues associated with narcotics, technology transfer, and energy will continue to grow in significance.

During the 1970's, resource constraints and the effects of inflation seriously degraded the Intelligence Community's capability to adequately support U.S. foreign policymaking objectives. Initiatives funded during the 1980's have worked to improve that situation. Deficiencies remain and additional investments will be necessary to revitalize intelligence capabilities throughout the 1980's. Major investments have been continued in the fiscal year 1984 budget to continue development of advanced collection systems, expand human source collection abroad, improve analysis, enhance counterintelligence capabilities and modernize the support apparatus upon which the total system capabilities depend.

EVALUATION OF REGULATORY IMPACT

In accordance with Paragraph 11(b) of rule VI of the Standing Rules of the Senate, the Committee finds no regulatory impacts will be incurred implementing the provisions of this legislation.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT

The Committee has complied with Section 403 of the Congressional Budget and Impoundment Control Act of 1974 to the extent possible.

TITLE I.—NATIONAL INTELLIGENCE PROGRAM

Committee recommendations

The details of Committee recommendations affecting the amounts to be appropriated for national intelligence activities under this title are contained in the Committee's classified report.

TITLE II.—INTELLIGENCE COMMUNITY STAFF

	Millions
Fiscal year 1983 program	$15.9
Fiscal year 1984 request	18.8
Committee recomended change	−1.2
Committee recommendation	17.6

Authorization request

The Intelligence Community Staff requested $18.8 million and 215 staff personnel for fiscal year 1984 to support the Director of Central Intelligence in fulfilling his overall responsibilities for management and direction of the Intelligence Community.

Committee recommendation

The Committee recommends an appropriation in the amount of $17,600,000 for the Intelligence Community Staff for fiscal year 1984. This represents a reduction of $1.2 million from the budget request. This amount provides an increase of $1,700,000 or 10.7 percent over the fiscal year 1983 program.

In fiscal year 1984, the Committee recommends a personnel end-strength ceiling of 211 full time employees. They can be permanent employees or employees on detail from other elements of the U.S. Government. Any employee who is detailed to the Intelligence Community staff from another organization of the U.S. Government shall be detailed on a reimbursable basis. However, an employee can be detailed on a non-reimbursable basis for less than one year to perform temporary duties as requested by the Director of Central Intelligence.

Committee recommended changes

External contracts (−$1.1 million).—The budget requested a total of $6.8 million in fiscal year 1984 for a variety of studies and analyses to be performed by contractors. although some increase is needed to support DCI management responsibilities over the departments and agencies of the Intelligence Community, the Committee was not persuaded that the total request, which is approximately double the amount appropriated for fiscal year 1983, is justifiable. Therefore, a reduction of $1.1 million is recommended.

Manpower (−4 positions; −$0.1 million).—The Intelligence Community Staff requested ten new positions in the fiscal year 1984. These positions were added for the purpose of improving collection tasking, and management. After careful consideration of the specific functions to be performed, the Committee was persuaded that four of the ten positions were not adequately justified.

Section 202(a). This section defines the consequences of appointment of a commissioned officer of the armed forces to the position of Director or Deputy Director of the Intelligence Community Staff. Section 202 provides the same consequences for appointment of a commissioned officer of the armed forces as Director or Deputy Director of the Intelligence Community Staff as subsection 102(b) of the National Security Act of 1947 (50 U.S.C. 403(b)) provides for ap-

pointment of such an officer as Director or Deputy Director of Central Intelligence.

Subsection (a) of section 202 provides that a commissioned officer of the armed forces appointed as Director or Deputy Director of the Intelligence Community Staff shall have authority in that position identical to that a civilian appointed to the position would have. Paragraph (1) of the subsection assures that a commissioned officer will, in the performance of his duties as Director or Deputy Director of the Intelligence Community Staff, have the same independence from military control that a civilian would have in performing such duties. Paragraph (2) of the subsection assures that a commissioned officer shall, in the performance of his duties as Director or Deputy Director of the Intelligence Community Staff, exercise no greater authority over the military than he would have if he were a civilian.

Subsection (b) of section 202 provides that a commissioned officer appointed as Director or Deputy Director of the Intelligence Community Staff shall retain all rights and privileges which normally pertain to his military rank. The subsection also specifies the manner of payment of the salary and allowances of a commissioned officer appointed as Director or Deputy Director of the Intelligence Community Staff.

Subsection (c) provides that the rank or grade of a commissioned officer serving as Director or Deputy Director of the Intelligence Community Staff shall be in addition to the numbers and percentages of such rank or grade otherwise authorized for the armed service of which he is a member. This provision ensures that the armed service from which an officer is appointed as Director or Deputy Director of the Intelligence Community Staff will not by virtue of such appointment be deprived of an authorized senior officer billet necessary for effective military personnel management.

TITLE III.—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

	Millions
Fiscal year 1983 program	$91.3
Fiscal year 1984 request	86.3
Committee recomended changes	0
Committee recommendation	86.3

Authorization request

The Central Intelligence Agency requested $86.3 million in fiscal year 1984 for the CIA Retirement and Disability Fund to finance the cost of: (1) interest on the unfunded liability, (2) annuities attributable to credit allowed for military services, (3) benefits not met by employee/employer contributions, and (4) the increase in unfunded liability resulting from liberalized benefits and Federal pay raises.

The Central Intelligence Agency Retirement Act of 1964 for certain employees (Public Law 88-643, October 13, 1964) authorized the establishment of a Central Intelligence Agency Retirement and Disability System for a limited number of Agency employees, and

authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries.

The benefits structure of CIARDS is essentially the same as for the civil service retirement system with only minor exceptions. These exceptions are: (a) annuities are based upon a straight 2 percent of high-3 average salary for each year of service, not exceeding 35; (b) under stipulated conditions, a participant may, with the consent of the Director, retire or at his discretion be retired at age 50 with 20 years of service, or a participant with 25 years of service may be retired by the Director regardless of age; and (c) retirement is mandatory at age 65 for personnel in grades GS–18 or above and at age 60 for personnel in grades GS–17 and below, except that the Director may in the public interest extend service up to 5 years.

In order to provide for the continuing solvency of the CIARDS fund, financing legislation comparable to that enacted for the Foreign Service retirement and disability fund was enacted as Public Law 94–522 (Oct. 17, 1976).

Committee recommendation

The Committee recommends appropriations of the full amount requested for the CIA Retirement and Disability fund for fiscal year 1984.

TITLE IV.—ADMINISTRATIVE PROVISIONS RELATED TO INTELLIGENCE AGENCIES

Secton 401 amends section 5 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403(f)) to explicitly authorize the Central Intelligence Agency for which operational necessities require such ciriteria. Enacting explicit authority for age criteria serves the goals of clarity and certainty of authority in CIA personnel administration. Similar authority exists for age criteria concerning appointment of federal air traffic controllers, firefighters, and law enforcement officers under 5 U.S.C. 3307.

The Central Intelligence Agency has a crucial ongoing need to attract and retain a core career group of highly motivated individuals who are capable of being trained in unique skills. The demands of overseas intelligence work require that these individuals have special combinations of age and experience. The stresses and strains of uneven and uncertain hours of work, of duty in unhealthy locations, and of arduous assignments performed under difficult and often dangerous conditions require personnel who posses vigor, vitality, and endurance, as well as emotional maturity. An operational career group with such physical and emotional characteristics is essential to the mission of the Agency. Section 401 is designed to permit establishment of age criteria only for initial appointments to these kinds of positions within the Agency, for which such critria are operational necessites; the provison does not authorize establishment of across-the-board general age criteria for employment with the Agency.

The language in section 401 conferring upon the Director of Central Intelligence the authority to establish age criteria is similar to the language conferring special termination authority upon the Director under subsection 102(c) of the National Security Act of 1947

(50 U.S.C. 403(c)). The courts have uniformly held that such language confers upon the Director authority to be exercised in his exclusive discretion and that the exercise of such authority is not subject to review, judicially or otherwise.

Section 402 extends the authority of the Director of Central Intelligence to pay awards under section 4503 of title 5 in recognition of outstanding service, to include within the scope of that authority employees of other government agencies and members of the armed forces detailed or assigned to the Central Intelligence Agency or to the Intelligence Community Staff. Under Section 4503, an agency head may pay such awards to employees, but it is not clear that this includes individuals detailed or assigned to the agency, particularly if they are members of the armed forces. Due to the wide variety of knowledge and expertise required in the conduct of intelligence activities, and the multiplicity of federal departments and agencies in which the requisite knowledge and expertise may be found, the staffing complements of the CIA and the Intelligence Community Staff must consist in part of individuals detailed from other departments and agencies of the federal government, including the armed forces. Because these individuals can and do make valuable contributions to the accomplishment of the missions of the CIA and the Intelligence Community Staff, fairness requires that they be eligible for recognition on the same basis as permanent employees. Section 402 remedies an anomaly in existing law, and provides for limited retroactive applicability to remedy any unfortunate inequities which may have arisen in the past few years.

Section 403 authorizes the Central Intelligence Agency to transfer funds to the Commonwealth of Virginia for the design and construction of highway improvements associated with construction at the CIA headquarters compound.

Section 404 adjusts the executive level of the positions of Director and Deputy Director of Central Intelligence. Section 5312 of title 5, United States Code, currently lists fourteen positions which have an annual rate of basic pay at level I of the Executive Schedule. Subsection 404(a) would add the Director of Central Intelligence to the list. Section 5313 of title 5, United States Code, sets forth those positions which have an annual rate of basic pay at level II of the Executive Schedule. The Director of Central Intelligence is presently included in this listing. Subsection 404(b) would change the listed position of Director of Central Intelligence to Deputy Director of Central Intelligence. Given the addition of Deputy Director of Central Intelligence to the Executive Schedule level II positions listed in Section 5313, it becomes necessary to amend Section 5314 of title 5, United States Code, to strike the Deputy Director of Central Intelligence from the positions listed as receiving an annual rate of basic pay at level III of the Executive Schedule. Subsection 404(c) accomplishes this.

Section 405 would provide the Director of the Defense Intelligence Agency authority to provide benefits and allowances to personnel of the Defense Attache System comparable to those provided under the Foreign Service Act of 1980 to officers and employees of the State Department stationed abroad. This will bring the

attache system in line with other intelligence personnel overseas who may receive similar allowances under existing law.

Subsection (a) of the new section contains direct references to the Foreign Service Act of 1980 and provides the Defense Attache System with the following benefits and allowances already provided to Department of State personnel (references to Title I of the Foreign Service Act of 1980 in parenthesis):

Home visitation between consecutive tours.—To provide members and their dependents with travel and transportation allowances for the purpose of home visitation when the member is transferred between consecutive foreign assignments (chapter 9, sec. 901, para (2); of Public Law 96-465 (22 U.S.C. 4081 (2)); sec. 903, para (a)(b) of Public Law 96-465 (22 U.S.C. 4083 (b));

Travel and related expenses of family members accompanying, preceding or following a member on TDY.—To enable family members of Defense Attache System (DAS) personnel to accompany, precede or follow the DAS member when the member is required to take TDY to visit a major overseas command while en route to the duty station; this enables the dependents to take the same route to the duty station thereby precluding their arrival in a strange country without the presence of the DAS member (chapter 9, sec. 901, para (3) of Public Law 96-465 (22 U.S.C. 4081(3));

Representational travel by one family member accompanying sponsor.—To enable one attache's dependent to accompany the attache to assist in performing representational travel. (At present, only Defense Attache's spouse is so authorized) (chapter 9, sec. 901, para (4) of Public Law 96-465 (22 U.S.C. 4081(4)).

Environmental and morale leave program.—To provide round trip transportation for members and their families from selected remote overseas duty stations to another overseas location which provides a respite from the adverse duty station (chapter 9, sec. 901, para (6) of Public Law 96-465 (22 USC 4081 (6));

Removal of family members and furniture, household and personal effects (including automobiles) from a post where there is imminent danger, and the return of the same upon cessation of such conditions.—To authorize such removal and return providing there is 12 months remaining in the sponsor's tour (chapter 9, sec. 901 para (7) of Public Law 96-465 (22 USC 4081 (7)).

Family visitation.—To provide trips by members for family visitation during unaccompanied tours or when family members have been evacuated because of dangerous conditions at the post (chapter 9, sec. 901, para (8) of Public Law 96-465 (22 USC 4081 (8)).

Shipment of privately owned vehicle (POV) from point of origin to final destination.—To expand the current POV shipment entitlement from port-to-port, from point of origin to final destination, and return, which will include cost of shipment and reimbursement for all remaining costs in connection with POV transportation (chapter 9, sec. 901 para (13) of Public Law 96-465 (22 USC 4081 (13)).

Child care expenses associated with spouses training.—To provide authorization to fund Defense Attache System spouses for part-time child care for their preschool children so that they may take certain intelligence training and host country language training to allow them to comfortable function in the host country economy

and environment, and be of (expected) assistance to the DAS member. (Chapter 7, sec. 705 of Public Law 96–465 (22 USC 4025)).

Travel and funds for dependent education.—To provide DAS members with education allowances similar to those provided to Foreign Service (and other Government agencies) personnel to help defray DAS dependent education costs and improve DAS dependent education. It will provide tuition, board, room and periodic travel to adequate schools when no DoD or other adequate school is available and travel to the U.S. for each undergraduate college dependent (title II, chapter 3, sec. 2308 of Public Law 96–465 (5 U.S.C 5924 (4)).

Subsection (b) makes the payment of allowance under subsection (a) subject to the availability of appropriated funds.

Subsection (c) makes it clear that the members of the Armed Forces may not receive the benefits of both subsection (a) and Title 37 of the U.S. code for the same purpose.

TITLE V.—GENERAL PROVISIONS

Section 501 authorizes appropriations for adjustments to federal employee compensation and to retirement and other benefits which are authorized by current or subsequently enacted law. This section obviates the need for separate authorizations for increases in such compensation or benefits during the fiscal year.

CHANGES IN EXISTING LAW

In the opinion of the Committee, it is necessary to dispense with the requirements of Section 4 of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate.

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